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SUBJECT: FRANCE: NEW GOVERNMENT LINE UP

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Classified By: A/POL/MC Paul Mailhot for reasons 1.4 (b/d).

#### Summary

11. (SBU) The new French government led by Prime Minister Dominique de Villepin, with Nicolas Sarkozy as Minister of the Interior (reftel) was formally announced by the Elysee palace the evening of Thursday, June 2. The new government, significantly smaller than the one it replaces (31 versus 43 members) is largely composed of Chirac loyalists, with the exception of Sarkozy and two of his long-time aides at Interior. As Villepin put it, "a tight group, able to move quickly." The appointment of Philippe Douste-Blazy as Foreign Minister in place of Michel Barnier puts a committed Chirac loyalist in charge of executing policies that will remain largely controlled by Chirac and Villepin and, in all likelihood, also by long-time Chirac public relations aide and Villepin associate Christine Colonna at European Affairs. The social and economic affairs ministers, who will be responsible for operationalizing Villepin's campaign against joblessness, have not been changed -- Thierry Breton at Economy, Finance and Industry; Jean-Louis Borloo at Employment, Social Cohesion and Housing, and Gerard Larcher at Employment and Work. Michelle Alliot-Marie remains at Defense. Eight members of the new government, including Nicolas Sarkozy, are International Visitor Program (IVP) alumni. End Summary.

12. (U) Biographic sketches of the key members of the new government, drawn from post's biographic reporting, follow below. Further reporting and analysis of new government will follow septels.

#### Prime Minister Villepin

13. (SBU) Dominique de Villepin was tapped by President Chirac to replace beleaguered Prime Minister Jean-Pierre Raffarin on May 31, 2005. As a first priority Villepin must address France's enduring unemployment problem, a long-simmering issue that many believe contributed significantly to the rejection of the EU Constitution on May 29. Villepin has given himself 100 days to "give the French people back their confidence" and vowed to make a monthly accounting of his progress. Without going into details, Villepin has said he will seek new solutions to the unemployment problem and that "nothing is taboo." Villepin is expected to announce a new employment program based mostly on state-funded programs and tax cuts.

14. (C) Villepin will be initially hard pressed to win support from skeptical UMP parliamentarians, many of whom have little patience for his flamboyant public image and take-charge personality. Nor will Villepin have free rein to formulate his new employment policy following President Chirac's request to Nicolas Sarkozy to rejoin the government. Numerous observers already dubbed the new Villepin-Sarkozy tandem "a cohabitation between declared rivals," fully expecting that Villepin's social-Gaullist ideology will inevitably conflict with Sarkozy's economic liberalism. Beyond their differing approaches to solving France's unemployment problem, both men share the same objective: election to the presidency of the republic in 2007. Sarkozy has all but declared his candidacy and Chirac likely appointed Villepin to the prime minister's post as a final training ground before a Villepin presidential run in 2007.

15. (U) Villepin served in the former Raffarin government as Minister of Interior, Internal Security and Local Liberties from March 31, 2004 to May 31, 2005. He was also Foreign Minister from 2002-04 and Secretary General to the President from 1995-2002. Villepin began his diplomatic career in 1980 in the Bureau of African and Malagasy Affairs, working on Horn of Africa issues. He then moved to the Ministry's research and analysis section, where he covered a broader scope of African issues from 1981-84. Villepin's first overseas assignment was in the French Embassy in Washington (1984-89), where he worked as Middle East Watcher and press spokesman. He next served as minister-counselor at the French Embassy in New Delhi (1989-92), before becoming deputy director of the Bureau of African and Malagasy Affairs (1992-93). Villepin next served as Chief of Staff to then-Foreign Minister Alain Juppe (1993-95).

#### Sarkozy's Surprising Return to Government

16. (SBU) Shortly after confirming the appointment of Dominique de Villepin as prime minister on May 31, President Chirac surprised almost everyone by announcing that UMP President Nicolas Sarkozy would be returning to the government as Minister of Interior. Sarkozy had served as Finance Minister from March 2004 to November 2004, but "voluntarily" resigned his ministerial post in accordance with Chirac's hastily contrived rule banning simultaneous service as a minister and party president. Sarkozy was elected president of Chirac's political party--the Union for a Popular Movement (UMP)--at a party congress in November 2004. Chirac's about-face on the simultaneous service issue is a tacit admission of his political vulnerability, and Sarkozy's growing influence, following the rejection of the EU Constitution on May 29.

17. (U) Sarkozy will be number two in the official protocol order, holding the prestigious "Minister of State" title which enables him to attend government meetings beyond the scope of his normal ministerial duties. Sarkozy formerly served as Minister of Interior from 2002-04 and won high praise for his efforts to reduce crime and delinquency.

18. (C) If President Chirac does not seek reelection in 2007, then Villepin and Sarkozy are expected to fight it out for control of the party. The UMP does not have an American-style primary system where party members vote for individual candidates, but Sarkozy has been pushing to establish one. If he does, everyone expects he would win a face-to-face contest against Villepin, largely owing to Sarkozy's greater political experience, control of UMP party resources and his on-going popularity with the French electorate.

19. (U) At the age of 21, Sarkozy was "discovered" by party leader Jacques Chirac at a Rally for the Republic (RPR) meeting in Nice. Two years later, in 1977, Sarkozy was elected to the municipal council of Neuilly-sur-Seine, a wealthy suburb west of Paris. A political protege of former RPR kingpin Charles Pasqua, Sarkozy supported Chirac's failed 1981 presidential bid, serving as President of the RPR's National Youth Committee. In 1983, Sarkozy defeated former mentor Pasqua to become Mayor of Neuilly, a position he held until his appointment as Interior Minister in 2002. In 1993, he was elected as a National Assembly Deputy representing roughly the same area, the 6th district in the Hauts-de-Seine department. In 1993, he resigned his seat to become both Minister of the Budget and government spokesman during the administration of Edouard Balladur; Sarkozy again represented the same district in the National Assembly from 1995-2002.

Douste-Blazy to the MFA

110. (U) Philippe Douste-Blazy, 52, was appointed Minister of Foreign Affairs in the new Villepin government on June 2, replacing Michel Barnier. Douste-Blazy is the first medical doctor to preside over France's foreign ministry, the "Quai d'Orsay." Douste-Blazy is a fervent Chirac loyalist who is said to be a favorite of France's First Lady, Bernadette Chirac. Douste-Blazy is a successful politician from the southern French city of Toulouse. He does not have extensive foreign relations experience.

111. (U) Douste-Blazy served in the Raffarin government as Minister of Health and Social Protection from March through November 2004; at the latter date, his portfolio was expanded and his official title changed to Minister of Solidarity, Health and Families. Douste-Blazy was responsible for leading a significant reform of the Social Security system that reduced expenses by 6-7 billion Euros annually. Douste-Blazy is a founding member of the majority, Union for a Popular Movement (UMP) and, since 2002, has been a perennial also-ran candidate for the prime minister's job.

112. (C) U.S. diplomats describe Douste-Blazy as smart and ambitious. Unlike Prime Minister Villepin, Douste-Blazy does not project himself as an intellectual and strategic thinker. Douste-Blazy has maintained good relations with embassy diplomats over the years and has often sought help arranging visits to the United States. While cordial, however, he has been largely unresponsive on specific issues of interest on which the Embassy has approached him. During his stint as Health Minister, Douste-Blazy worked closely with former Health Secretary Tommy Thompson on the Global Health Security Initiative, an international effort to fight the spread of the AIDS virus. A relative new-comer to the foreign policy arena, Douste-Blazy is expected to take his marching orders directly from President Chirac. He understands English but prefers to speak through an interpreter for official meetings.

113. (SBU) As a rising local politician in the 1990's, Douste-Blazy was a leading advocate for devolving power to local governments. Since his ascension to ministerial rank, he has quietly dropped his support for decentralization. In

recent months, Douste-Blazy has sought every opportunity to publicly express his loyalty to President Chirac, reportedly offering to support Chirac's third term candidacy against his presumed rival Nicolas Sarkozy. During the campaign for the EU Constitution he allied himself with then Interior Minister Dominique de Villepin, trumpeting the successes of France's social model and attacking Nicolas Sarkozy's economic liberalism.

14. (U) In 1976, Douste-Blazy began his career working as a medical intern at a major Toulouse hospital; from 1982-86 he served as the hospital's chief cardiologist. He was elected mayor of Lourdes, his hometown, in 1989 and served continuously in that capacity until 2000 when he announced his intention to run for the top spot at Toulouse's city hall. Meanwhile, Douste-Blazy served as a Member of the European Parliament from 1989-93; as Delegate Minister of Health in the government of Edouard Balladur from 1993-95; and as Minister of Culture in the government of Alain Juppe from 1995-97.

#### Alliot-Marie Stays at Defense

15. (U) Michele Alliot-Marie has been asked to stay on as Minister of Defense, after serving capably in the last three years in the Raffarin government. Alliot-Marie is a long-time Chirac ally and, according to the press, is one of Chirac's few associates with whom he uses the familiar "tu-tois" form of address. She was rumored to be a leading contender for the prime minister's job, but Dominique de Villepin got the nod instead.

16. (C) Alliot-Marie's continued tenure at Defense is likely to represent an element of continuity in French defense policies, both domestically and within the EU. She is well-liked and respected by the uniformed services and her staying on sends a message that the French military remains important to President Chirac. Alliot-Marie has been a strong defender of a vigorous defense budget. For her European partners, she supported the necessity for Europe to develop a strong defense (ESDP). Alliot-Marie is a well-known quantity at the Pentagon as she has met several times with Defense Secretary Rumsfeld, with whom she has a good working relationship although they do not always agree.

17. (U) A political activist since the age of 24, Alliot-Marie served as Secretary of State for Education during the first cohabitation under then Prime Minister Chirac (1986-88), and as Minister for Youth and Sports under then PM Balladur (1993-95). First elected to the National Assembly in 1986 representing the Pyrenees-Atlantic (in southwest France, essentially the Basque country), she always managed to regain her seat after each ministerial stint. Alliot-Marie also served as Mayor of St. Jean de Luz (near Biarritz) from 1995-2002. During 1989-93, she was a Member of the European Parliament.

#### Thierry Breton Remains at Finance

18. (SBU) Former France Telecom CEO, Thierry Breton, was asked to continue as Minister of Finance, Economy and Industry. He was first appointed to the position in February 2005, replacing Herve Gaymard who was forced to resign in the wake of a scandal over his misrepresentations regarding government payment for a luxury apartment. Breton is an admired and politically astute technocrat who, reportedly, would like to use his experience at Finance to further his budding political career.

19. (SBU) As the fourth French Finance Minister in less than a year, Breton will need all of his political savvy and management skills. Breton will play a key role in developing the new government's strategy to reduce unemployment while not dangerously increasing the budget deficit. Breton is a political ally of both President Chirac and former PM Raffarin, having served with the latter on the Poitou-Charentes Regional Council during the 1990's. The 50-year-old Breton is experienced in international business circles and speaks excellent English.

20. (SBU) Breton's professional experience has been mostly in the French corporate sector. He did a stint at the Ministry of Education, where he served as technical adviser for information technologies between 1986 and 1988. He is a political ally of both President Chirac and PM Raffarin, and served with the latter on the Poitou-Charentes Regional Council during the 1990's. Prior to assuming leadership of France Telecom (FT) in October 2002, he was Chairman of the Board of Directors of Orange, FT's mobile unit. At FT, he took over what was then regarded as the most indebted telecom firm in the world. He undertook aggressive steps, selling off non-essential assets, negotiating a deal with the GOF to help pay off the debt, and shedding 7,500 jobs in FT's domestic operations, after difficult negotiations with the unions.

## Pascal Clement at Justice

¶21. (SBU) Jurist and National Assembly Deputy Pascal Clement, 60, was appointed Minister of Justice in the new Villepin government on June 2. Clement was secretary general at the now-defunct Liberal Democracy (DL) political party and currently sits on the UMP's political bureau, an influential policy steering committee. Earlier in his career Clement was allied with centrists and economic liberals including Valéry Giscard d'Estaing, Raymond Barre and Alain Madelin. Until his ministerial appointment, Clement was president of the Assembly's Constitutional Law Committee and was responsible for shepherding Raffarin's decentralization law through parliament in 2002.

¶22. (SBU) Clement has represented the 6th district of the Loire department in the National Assembly from 1978-93, and again from 1995 until his appointment to the Villepin government. He has maintained cordial relations with US diplomats over the years and is described as honest, warm and engaging. He was a 1984 IVP grantee and speaks English. A former Xerox executive early in his career, he has made several business trips to the United States. In the mid 1980's he led a parliamentary delegation to the US, seeking to sell France's high-speed train, the TGV, to local and state governments.

¶23. (U) Clement was a Junior Minister for Relations with Parliament during the Balladur government from 1993-95. He was secretary general to the now-defunct Liberal Democracy (DL) party from 1995-98. (Note: Liberal Democracy championed American style labor market and tax reforms; in 2002, the party merged with the Chirac's neo-Gaullist RPR to create the Union for a Popular Movement (UMP).) At the local level, he served as mayor of Saint-Marcel-de-Felines from 1977-2001.

¶24. (SBU) Clement was born on May 12, 1945 in Boulogne-Billancourt on the western outskirts of Paris. He attended the Institute for Political Studies in Paris and holds a degree in law. He is also a practicing attorney. He has written one book: "The Minority Political Parties of the United States" (2000). Clement is married to the former Laure Choiseul-Praslin, a practicing judge. The couple has four children.

## Jean-Louis Borloo Continues at Social Cohesion

¶25. (U) Jean-Louis Borloo, 54, was appointed Minister for Employment, Labor and Social Cohesion following a government reshuffle on March 31, 2004; he was reconfirmed in the same position in the new Villepin government announced June 2. Borloo (pronounced Boar-loh) previously served in the former Raffarin government as Junior Minister for Towns and Urban Renewal from 2002-04.

¶26. (SBU) Borloo's appointment symbolizes President Chirac's desire to put the accent on social affairs following the rejection of the EU Constitution on May 29. Borloo is expected to work closely with Finance Minister Breton to develop an effective--and affordable--package of labor market and other reforms in order to significantly reduce France's unemployment rate. Self-assured, frank, quick-to-action, Borloo believes himself to be a viable future candidate for the Prime Minister's slot, according to press reports.

¶27. (U) Borloo gained his initial political fame as the activist mayor of Valenciennes, a decaying industrial town near the Belgian border. Valenciennes underwent a turnaround under Borloo's 1989-2002 stewardship. Borloo was reportedly approached by the Socialists and Greens, but decided to join the centrist UDF political party. Borloo served in the National Assembly from 1993 until his ministerial appointment in 2002. He is now a member of the UMP.

¶28. (SBU) Borloo was born in Paris on April 7, 1951. He graduated from the Institute of Higher Business Affairs (ISA) in 1976, and worked several years as a commercial and business lawyer in Paris.

## Gilles de Robien to Education

¶29. (SBU) Gilles de Robien, 64, was appointed Minister of Education in the new Villepin government on June 2. Robien served in the former Raffarin government as Minister for Equipment, Transport, Housing, Tourism, and Oceans from 2002-2005. Robien worked effectively with US government officials to upgrade airline and maritime security following the terrorist attacks in September 2001. He was also involved in initial steps to privatize Air France and successfully implemented new regulations guaranteeing a "minimum level of service" during strikes on France's national rail transportation network.

¶30. (SBU) An influential UDF politician with links to President Jacques Chirac and UDF President Francois Bayrou, Robien is the only UDF member in the government. Robien is

seen as an effective minister and seasoned politician whose participation helps cement the sometimes shaky ties between the UDF and UMP. Robien understands some English but prefers to use an interpreter for official meetings.

131. (SBU) Robien will be taking up duties at the Education Ministry at a delicate moment. Teachers and students went on strike several times last spring to protest a series of education reforms introduced by Robien's predecessor, Francois Fillon. Most of Fillon's proposals were either watered down or withdrawn in advance of the referendum on the EU Constitution. Robien will likely be called upon to take up where Fillon left off. Powerful unions, a large budget, and a hard-line socialist orthodoxy among educators all combine to make Education one of the most difficult portfolios in the French government.

132. (U) Robien represented the 2nd district in the Somme department in the National Assembly from 1986-2002. He was president of the fractious UDF parliamentary group from 1995-97, and was also Francois Bayrou's campaign manager during the 2002 presidential race. He continues to serve as vice-president of the UDF political party.

#### Dominique Perben at Transportation

133. (SBU) Dominique Perben, 59, a long time loyalist of President Jacques Chirac, was appointed Minister of Transportation, Equipment, Tourism and Oceans on June 2. Perben served as Justice Minister in the prior Raffarin government from 2002-05. As Justice Minister, Perben worked effectively with US government officials to incarcerate and bring to trial terrorist suspects following the 2001 attacks in the United States. A civil servant by training, Perben has no previous experience handling legal or justice-related issues; he did, however, serve as Minister of Civil Service, Reform, and Decentralization in the government of Alain Juppe (1995-97), and as Minister of Overseas Departments in the government of Edouard Balladur (1993-95).

134. (U) Perben represented the Chalon-sur-Saone department in the National Assembly from 1986-93, and again from 1997-2002. He was a founding member of the influential reform-oriented club "Dialogue and Initiatives," Perben has been in the forefront of the decentralization movement in France. The club's objective, Perben has said, is not just to propose reforms in order to win the 2002 legislative elections, but to bring about a fundamental change in all French society.

135. (SBU) Born in Lyon on August 11, 1945, Perben has traveled to the U.S. on numerous occasions, and was an IVP grantee in 1983. Perben speaks little English, but does have a familial connection to the U.S. - his sister is married to an American. Perben is married to the former Annick Demoustier; the couple has three children.

#### Other Ministers in the Villepin Government

136. (U) Xavier Bertrand, Minister for Health and Solidarity; Dominique Bussereau, Minister for Agriculture and Fisheries; Christian Jacob, Minister of Public Administration; Renaud Donnedieu de Vabres, Minister of Culture and Communication; Nelly Olin, Minister for Ecology and Durable Development; Francois Baroin, Minister for Over-Seas; Renaud Dutreil, Minister for Small and Medium-sized Businesses; Jean-Francois Lamour, Minister for Youth and Sports.

#### Junior Ministers in the Villepin Government

137. (U) Henri Cuq, Junior minister for Relations with Parliament; Azouz Begag, Junior Minister for Promotion of Equal Opportunity; Jean-Francois Cope, Junior Minister for Budget and Government Spokesman; Gerard Larcher, Junior Minister for Employment, Labor and Professional Insertion of Youth; Catherine Vautrin, Junior Minister for Social Cohesion and Equality; Brigitte Girardin, Junior Minister for Cooperation, Development, and Francophony; Brice Hortefeux, Junior Minister for Territorial Collectives; Catherine Colonna, Junior Minister for European Affairs; Francois Goulard, Junior Minister for Higher Education and Research; Leon Bertrand, Junior Minister for Tourism; Philippe Bas, Junior Minister for Social Security, the Elderly and Handicapped, and Families; Francois Loos, Junior minister for Industry; Christine Lagarde, junior Minister for Exterior Commerce; Hamlaoui Mekachera, Junior Minister for Veterans; Christian Estrosi, Junior Minister for Territorial Development.

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